

# Proletarian Era

Volume 40 No. 24  
August 1, 2007

Organ of the SOCIALIST UNITY CENTRE OF INDIA  
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Price : Rs. 2.00



5 AUGUST 1923 — 5 AUGUST 1976

“...By political power of people I mean developing such conscious, militant committees comprising the people and the youth force in villages and in different areas of towns and cities who can by themselves tackle all types of work on the basis of the revolutionary mass line using their own brains, and dare to confront any situation, who would exercise influence over people not with force or police help or hooliganism, but on the strength of their own qualities, capability, personality, thinking and contemplation, their character and organizing capacity, who can correctly discharge their responsibility while confronting all adverse situations. ...And you have to understand that in order to change this capitalist social structure, you will have to build up and develop people's struggle committees from the village up to the town and city levels — people's committees which will have to ultimately confront the state power through struggles. The rallies and processions which are now organized — we may have to move along this conventional democratic path for a considerable length of time yet. In particular situations, we may have to organize satyagraha, and also stage dharnas. But the whole object is to develop the struggle committees through all this which can organize people everywhere — local committees in the localities, district committees at the district level, provincial committees at the provincial level — and conduct the task, guiding them like a disciplined army...”

— SHIBDAS GHOSH

(*Mass Movements and Tasks of the Youth*)

## Disastrous consequence of monopoly takeover of retail trade must be thwarted at any cost

India's vast retail trade business about 96 per cent of which is by unorganized retailers, is as big as \$213.33 billion contributing around 10-11% of India's GDP and currently employs over 40 million people in about 12 million outlets. While organized retailing refers to trading activities undertaken by licensed retailers including the corporate-backed hypermarkets and retail chains, and also the privately owned large retail businesses, unorganized retailing, on the other hand, refers to the traditional formats of low-cost retailing like the local kirana shops, owner manned general stores, paan/beedi shops (roadside beetle leaf/cigarette shops) most of which are located in less than 500 square feet (45 sq meters) of area, small convenience stores, hand cart and pavement vendors, etc. Unorganized retailing is by far the prevalent form of trade in India — constituting 98% of total trade, while organized trade (mega shopping parlours, big departmental stores etc.) accounts only for the remaining 2%. The government of India has now decided to allow big monopolists, both domestic and foreign, to enter into this retail market in a very big way. This has posed a serious threat to the very survival of the owners and employees of the small retail shops and kirana stores who after not being able to find any other alternative means of subsistence are

somehow eking out a livelihood by running these small retail businesses. A wide scale monopoly raid of the sector, rightly apprehended by one to all, will virtually wipe out these tiny outlets rendering millions jobless. Sensing grievous danger posed before their livelihood, the small businessmen engaged in retail trade have already taken to the path of agitation. Recently at Ranchi, small traders held a protest demonstration before five Reliance Fresh Outlets which were even ransacked by irate mob. In Dhanbad also, small traders are agitating against opening of retail outlets by the Reliance. Not only those associated with this small retailing but also the common people at large will be severely affected if this sinister design does materialize. Hence all right thinking people ought to comprehend the grave danger looming large and come forward to squarely confront and repulse the move.

### Chronicle of Monopoly penetration

Before we proceed to analyze the implications of the move, let us have a quick glance at the scheme of things being contemplated and slowly implemented by the Indian government subserving class interest of the ruling Indian bourgeoisie, an inalienable part of crisis-ridden, decadent, moribund

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**Observe Comrade Shibdas Ghosh Memorial Day  
on 5th August in a befitting manner**

# Monopoly takeover of retail will trigger mass-scale job loss

*Contd. from page 1*

world imperialism-capitalism, the arguments put forth by the power that be in support of the move and fallout of such step in other countries. A KPMG survey report prepared for the FICCI stated that organized retail, estimated as a \$ 6.4 billion industry in 2006, is projected to reach \$ 23 billion by 2010. With the organized retail industry in India poised for such an exponential growth, the domestic monopolists many of whom have been running big departmental stores and gorgeous shopping malls for quite a long time, are now coming in a very big way with the intention of having controlling stake in the retail business right from raw material sourcing to selling to the end consumers. The tycoons like Tatas, Birlas, Ambanis, Mittals and Goenkas have already begun to make decisive inroads into the retail sector. Ambani-owned \$5.6 billion worth Reliance Retail Ltd. with its brand 'Reliance Fresh' has started opening retail shops selling fruits, vegetables, groceries, etc. to be added with Fast Moving Consumer Goods (FMCG), pharmaceuticals, footwear, household goods, consumer durables, etc. at competitive prices in Hyderabad, Bangalore and Ranchi. In Calcutta, it has already managed to bag from the Municipality the order of renovating big market complexes seemingly with the objective to convert the same into its exclusive outlets displacing several hundreds of the existing vendors. Reliance has also a plan to invest \$5.6 billion (Rs.25, 000 crores) for opening 4000 retail outlets in 1500 towns across the country. Significantly, the same monopoly house controls two Special Economic Zones (SEZs) near Bombay. Reports indicate that warehouses to feed the retail outlets will be located in the SEZs. Reliance has already established a significant presence in the lower end of the supply chain by entering the food procurement business, particularly in Punjab and Madhya Pradesh. In fact, it procured significant quantities of grain after the last wheat harvest in Punjab, even as the state procurement agencies stayed away, resulting in the government's controversial decision to import wheat this year. Big business houses such as the A.V. Birla group, ITC and the Tatas

are also finding the retail sector extremely attractive. ITC, for instance, plans to expand its fruit and vegetable distribution network by opening 54 new outlets in select metros in the next three years. The Bharti group of Mittals is positioning itself as a player in the agri-business sector. It has acquired 5,000 acres (2,000 hectares) in Punjab to carry out export-oriented contract farming. It is also planning a foray into horticulture in West Bengal. Several formats of organized retailing like hypermarkets, supermarkets and discount stores are being set up by big business groups besides the ongoing proliferation of shopping malls in the metros and other large cities.

Not only domestic corporate giants, even the foreign big capital and MNCs are hankering after Indian retail pie. With the Congress-led CPI(M)-backed UPA government declaring a year back that retail sector would be opened further for foreign direct investment (FDI) in a calibrated manner, there is a bee-line of giant foreign retailing companies like Wall-Mart of US, Tesco, Mother Care, Body Shop and Debenhams of UK, Metro A G of Germany, Carrefour SA of France and Swoprete Holdings of South Africa as well for making forays into Indian retail. UK's Mark & Spencer Group and Dubai-based Life Style International have already set up shops in India. Metro A G of Germany has also begun its operations. US giant Wal-Mart is slated to come through an alliance with Bharti group. At a session with the US India Business Council (USIBC) Delegation organized by the Confederation of Indian Industry, Mr Ron Somers, President, USIBC, said that the US was now waiting for the opening up of the retail sector so that a chain of markets could be set up in India to reach all parts of the country. These steps would lead to new alignments and opportunities for co-operation between the two countries. A senior official of a US-based private equity fund said, "Retail is an interesting area and we continue to look for opportunities. We began by investing \$90 million in one venture in 1997 and then took up another similar opportunity. Both investments were done by creating India-specific funds."

All these monopoly operators will procure the merchandize starting from foodgrains, vegetables and other agricultural produces to products of cottage as well as agro-based industries and sell to end-consumers through huge network of dazzling outlets. In other words, they with their money power will be establishing control over both sourcing and supply of essential items including foodstuff.

## Dangling carrot of so-called prosperity

While trying to defend the proposed move to handover retail trade to domestic and foreign monopoly, the government is advancing the argument that as of now nearly 70 per cent of the value of agricultural produces is expropriated by middlemen brokers and hoarders. Once the sector is opened, the private monopoly houses, by being continuously close to local suppliers and customers, would be in a better position to control and monitor the entire supply chain including the designing of products, the quality of inputs, the manufacturing process, the quality of output, the standardization, labelling and packaging, transportation, warehousing, the distribution network, changing product mix (that is array or combination of products) quickly in response to changing global fashions and establishing the right kind of captive suppliers i.e. the tie-up with the suppliers like the peasants or cottage industry owners will be so strong that they will not be selling their produces to anyone else). This exclusive supply chain and infrastructure, which the private monopolists would develop for their local stores, would yield significant cost economies (i.e. saving on account of lowering of procurement costs) that can be used to procure supplies to the global markets. Under marketing system of big capital since there will be no middlemen involved, the primary producers or the farmers will get the opportunity to sell their produces to the big businessmen. On the other hand, with the middlemen removed, there will be no price manipulation in between and hence goods will be available to the consumers at a much lower and fair tariff. Thus, to the extent the large monopolists establish a direct linkage with the

primary producers by cutting out many layers of middlemen, develop the processing facilities and export the products to meet their global requirements, farmers and cottage industry owners would get better prices and bigger markets while the consumers would benefit in terms of lower prices, better quality and greater variety. The resultant rural prosperity may open up markets for other industrial goods and help a more balanced regional development as also job creation in other sectors. Similar gains would flow from higher exports when the global monopoly chains like Wal-Mart are allowed in other sectors such as readymade garments. In their bid to allay the apprehension that once monopoly takes over, monopolistic pricing practices will set in forcing the producers and consumers to sell and buy at the level stipulated by it, the government spokespersons and other protagonists of the proposal point out that the best safeguard will be in the form of permitting all global monopoly chains to set up shops so that the competition among them ensures better prices for consumers and suppliers alike. Supporters of FDI in retail also argue that it will bring a new shopping experience to the growing middle class with modern malls and complexes all around.

## Mode of the fleecing operation

But whatever is the extent of euphoria sought to be created by the bootlickers of ruling capitalism over monopoly invasion of retail, the international experience has been ruinous so much so that all such talk of doing away with middlemen intervention, price manipulation and escalation as well as availability of fair remuneration to the agricultural producers and bringing order to the currently flawed operation would turn out to be a cruel joke and a big hoax. The most catastrophic fallout of private monopoly-dominated as well as FDI driven so-called 'modern retailing and supply chain integration', has been large scale job loss because as apprehended and experienced by all, such transition can only take place by destroying the traditional retail sector providing sizeable employment. Within no time of retail being under the grip of

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## CPI(M) bogged down deep in scams

# Kerala instances re-expose CPI(M)'s sliding down the bourgeois vile politics

A series of reports of scams involving CPI(M) and a number of its highest state leaders and functionaries have come out in national and state level media, and have naturally stirred up heated and serious discussions particularly among the left-minded people of the country. The party's General Secretary, Prakash Karat, has himself admitted it in the People's Democracy, the party organ, and the party's polit bureau and central committee had to take action against two top most leaders of CPI(M) in Kerala, Mr. Pinarai Vijayan the state secretary and Mr. V. S. Achuthanandan the veteran polit bureau member and the Chief Minister of the state suspending them from the polit bureau for violating "...the clear directive of the polit bureau and the central committee" (*People's Democracy*, June 03, 2007). The scams involve, we will add details later, unlawful transactions of crores of rupees between shady personalities and the CPI(M) functionaries; the party is torn asunder with allegations and counter-allegations between different groups led by the top leaders that even go to the extent of open street fights, burning of effigies, blocking of ministers by own men etc.; the rank is left baffled, people horrified, so much so that the central committee and the polit bureau find no option but to intervene. The question that haunts serious-minded people how could such things happen with a party that proclaims itself as Marxist, at least a disciplined cadre-based mass party. But first, we may have to look back at the facts in some details to find the answer.

A few cases are there in the list. Number one, an amount of Rs 2 crore has been received by the party, CPI(M), or rather its party newspaper in Malayalam, *Deshabhimani*, from some Santiago Martin a lottery operator and a criminal offender wanted by the police in connection with more than 60 cases of lottery swindles! He has gone in the hiding for the last few months and the police are in search of him nationwide. It is during this period that the transaction has been made between him and CPI(M). In face of questions and criticisms even from the rank, the General Secretary has tried a case of defence with the argument that the deposits "were solicited from advertisers" for the party newspaper, *Deshabhimani* and that "receipts were issued" for that. He even adds that the money is going to be "returned" and the functionary of the newspaper expelled from the party. Let us leave aside the question that, if and when the transaction of crores of rupees smacked of a corrupt deal, whether issuing a receipt on any date whatsoever is anything new or unheard of in this land of corruption called India. Does giving back the money of a corrupt deal (otherwise why should it be returned) write off the corruption from the account? Does expulsion of a functionary

solve the problem? Background events concerning Santiago Martin bring out the gravity of the case, far from being so simple. V.S.Achuthanandan, then opposition leader, raised a voice against the collusion between the online lottery tycoons including Santiago Martin during the last UDF ministry, on the ground that apart from doing fraud and snatching off an amount at the rate of Rs 30 crores per day on account of the outside lotteries, they were evading tax to the tune of Rs 9,000 crores in tacit understanding with the UDF government. He promised that once LDF government came to power, this money would be recovered and all the foul plays stopped. And what happened under LDF ministry? The Finance minister disclosed in the Assembly by way of answering a question that Rs 8760 crores lottery tax dues were yet to be recovered and 80 percent of that amount was from Santiago Martin! Added to it! The advocate who used to appear on behalf of the lottery mafia in chains of cases, suddenly became the Government Pleader under LDF and started representing prosecution. Subsequently, in no less than 34 cases the government lost; the latter did not stand enthusiastically to appeal further for these lost cases. On the contrary, the government has again permitted the very same

Santiago Martin to introduce two new lotteries in the state and plunder at least Rs 15 crores daily. Do not all these things point to deep-rooted collusions and connivance? Is it not that the huge amounts flowing from branded criminals are rewards for or in lieu of unholy favours received or anticipated? Can it all be simply washed off by returning Rs 2 crore or by expelling a functionary of the party newspaper?

Now, why was the managerial functionary of the party's newspaper expelled? As admitted by the General Secretary of the party himself, the person, K.Venugopal, the Deputy General Manager of *Deshabhimani*, and a known close confidant of both Pinarai Vijayan and Kodyeri Balakrishnan, the Home Minister, was 'entrusted with an important responsibility' by the party and he asked for a bribe and received rupees of 1 crore (reportedly the first installment of a total of 3 crores) to get a government decision in favour of the persons concerned: this was the charge leveled against him. The amount was given by LiS, a fraudulent money chain firm. LiS is charged with the criminal offence of cheating the public with money doubling offers and of flouting Reserve Bank Regulations. The Kerala police raided office of LiS, captured all the records, then closed and sealed its offices. Prosecution procedures were also started. In a span of 3 years before its closure, this swindler firm had amassed a fabulous sum of 600 crore from the public. The case against LiS, investigations and litigation proceedings, all proceeded sluggishly. In a few months of LDF rule, the investigation officer was changed more than once, each time the charge being passed over to lower ranked officers. Even the investigating officer was attacked in the court premises reportedly by the juniors of the advocate of the defendant, when the former was going to the court to hand over the case file, asked by the latter. The advocate of LiS was M. K. Damodaran, who had been the Advocate General during the former LDF ministry, under E.K.Nayanar and thus, obviously a close

associate of CPI(M) leaders and the party. While the case with Damodaran acting as defence counsel was heading towards a standstill, things took a different turn. Not long after LiS had been closed and sealed, another firm by name 'Jyothis' came into existence almost under the same proprietorship and started operations in the same line as that of LiS. Within the last 4 months, 'Jyothis' has accumulated deposits worth Rs 10 crore and has made its mark as having put an insertion on the front cover of the DYFI's organ in Malayalam. It is so palpably clear that a firm could not have come to these points without high-level administrative and party support, that the government is compelled to close down 'Jyothis' too. So this was the episode of LiS, the firm from which the CPI(M)'s party daily functionary, Venugopal, took a bribe of only rupees one crore.

A third case relates to some Manichan, a dangerous and notorious abkari contractor, from whom a dozen prominent CPI(M) leaders had reportedly received lakhs of rupees during the last LDF rule under E.K. Nayanar. That the reports had substance, is proven from the fact that CPI(M) had then to expel Mr. Sathyanesan, their Trivandrum District Secretary from the party on this charge and put the abkari contractor Manichan behind bars for his proven criminal activities connected with illicit liquor trade. But all the other important leaders of the CPI(M) were absolved by the party with the same explanation that "receipts were issued" and hence no corruption was involved.

While even the General secretary of the party himself admitted foul play, the party played a different tune. Kodyeri Balakrishnan, the Home Minister and Central Committee member of CPI(M), issued statement in the State Assembly that there were no evidences other than newspaper reports before the government to charge sheet K. Venugopal or anybody else involved in the scam. Ordered by the High Court, a CBI enquiry was started with the cases.

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# Thirty years of CPI(M)-rule in West Bengal

## — Claims and Realities

On the occasion of the 30th anniversary of the CPI(M)-led Left Front government of West Bengal, veteran leader Jyoti Basu was conceited personified to remark that people of the world are surprised to find a “Marxist” government continuing in power inside a capitalist set-up for over three decades together. The CPI(M) bigwigs like Prakash Karat, General Secretary of the party and Buddhadev Bhattacharya, the Chief Minister of West Bengal Government in their write-ups published in ‘People’s Democracy’ dated 24.6.07 have explained in some length the “magic” behind, i.e. “the set of policies and measures implemented by the left front government ... that made the Left Front Government distinctive”. No doubt, the success of a government implies improvement in different aspects of public life, viz., education, health, agriculture, industry, employment, workers’ welfare, condition and security of women and children and the people in general, socio-cultural life, law and order situation etc. Here, in our write-up we would like to make a short assessment of the claims made by the CPI(M) in such spheres, as against the realities to be found in the state.

### The claims of CPI(M)

The bigwigs of CPI(M) have claimed that “A mass literacy programme has been continuing in the state over the years. West Bengal has achieved 76% literacy rate.” The government also claims to have accorded priority to the implementation of Sarva Siksha Abhijan. Their claim further extends to number of schools having extended and the school drop-outs rate being on the decline. Moreover, “In new areas colleges are being set up and the growing number of students passing from the institution indicates the gradual improvement of educational standards.”

In health their claim goes – “West Bengal has a comprehensive health care system. The state government caters to the health care needs of 72% of its people.”

In agriculture, the CPI(M)’s claim to achievements include ‘land reforms’, ‘decentralization of power’, ‘institution of panchayati raj system’ and ‘accomplishing agricultural production’. The CPI(M) leader also claims to have acquired over a lakh acres of land and distributed the same among 25 lakh landless and small peasants. “Small and marginal farmers now own 84% of the total agricultural land” and “land distribution has led to increase of food grains production”. Irrigation facilities too, are claimed to have enhanced.

The CPI(M) leader claims, “West Bengal has a pioneering role in providing unemployment benefits to the workers of locked-out industries.” West Bengal has achieved, “remarkable growth over the last decade, 250 IT companies

providing direct employment to over 50,000 professionals have been built.” So far as the industrial development and investment are concerned, their claims goes, “West Bengal provides attractive facilities to investors”, who, “are now convinced of the pro-active role of our government.” According to these leaders, industrial investment amounts to Rs. 2000 crore in the state. While promoting private investment, the government is committed to, “defending the interests of the working class, and their trade union rights.” “West Bengal”, the leaders claim, “ranks first among all states in respect to both the number of working units and employment generation in the small-scale sector.”

Concerning rights and interests of workers, reference may be made to Mr. Bhatyacharya’s claim, which goes, “In every movement in the interests of the working people, in every general strike and all India protests, It is the democratic movement in West Bengal, that has lent its strength to the all India movement.”

The chief minister concludes, “defending the left front government is imperative for all those who cherish democratic values and wish to see a left and democratic alternative to the country.”

### The Reality

Let us start with education. The report published on 1st February, at Delhi, by the National University of Education, Planning and Administration under the Ministry of Human Resources, shows – West Bengal occupies the 32nd place among 35 states and centrally-

administered regions. Also it is among the 5 most backward states in the country, along with Bihar, Jharkhand, Arunachal and UP. Do not the CPI(M)’s claims sound like sheer tall talks, in view of the fact that before 1977, West Bengal ranked 2nd in the country, in education, whereas it now ranks no less than 19th i.e., below states like Uttaranchal, Tamil Nadu, Punjab, Mizoram, Manipur, Maharashtra, Himachal Pradesh, Goa etc., all these being under “non-progressive” and “non-left” rule?

Reportedly, among the recorded number of Primary Schools in the state as many as 1900 cannot be traced another 2000 have no proper rooms, 35,000 posts of teachers are vacant. At high school level, this number is 40,000. The government seeks solution by appointing teachers on contractual basis with a pitiable pay of Rs.1000-2000 per month. In colleges too, appointment of teachers on contract is rapidly coming into practice. As reported in the Times of India (21 June ’07), the number of school drop-outs in the age-group of 6 and 14 is 9 lakh 61 thousand, as against Bihar’s 6 lakh 96 thousand. Also, despite crores of rupees being spent on the much-flaunted Sarva Shiksha Abhijan scheme, 58 blocks in different districts of the state are reportedly steeped in the darkness of ignorance.

The “comprehensive health care”, the CPI(M) leaders speak of, are imperceptible, what with people dying of Dengue, Malaria and such other once-eradicated diseases, not to speak of deaths from dog-bites or snake bites in the villages. Even anti-venom — an ordinary medicine, is not available in the village hospitals and health centres. Charges have been imposed on hospital treatment, yet out of 112 life-saving drugs supplied earlier, government has stopped supplying 80 of them. Required number of doctors, nurses and health workers cannot be availed of; so also proper infrastructure, instruments and medicine are often not available either.

The infant death ratio in villages places West Bengal in the 8th position in the country, (51.4% by 2003) superceding Andhra Pradesh, Bihar, Haryana, Karnataka, Punjab, Tamil Nadu etc. Arsenic poisoning

has assumed a formidable proportion, with 12 lakh people in the state already afflicted there; thousand more patients are counting out their days. There is still no proper treatment offered by the government.

Every year, nearly 2500 people die of thalassamia – the total number of patients being nearly 30 thousand. Number of doctors, nurses and health workers in the hospitals for thalassamia patients, are more often than not insufficient. What is more, the 20-bed thalassamia hospital started in 2001 at the initiative of Thalassamia Foundation, had to be closed, while government remains inactive.

In view of the miserable situation of health vis-à-vis the government declaration of handing over 1200 rural health centres to private owners – do the CPI(M)’s claims ring true? In the same way, such reputed institutions as the Jadavpur K.S. Ray T.B. Hospital and Niramoy Clinic are being sold out to private or corporate owners as conditions for securing foreign aids to the amount of 1200 crores !

In agriculture, to start with, it may be pointed out that out of 10.58 lakhs of hectares of land, the Left Front government claims to have distributed, the bulk, i.e. 6.25 lakh hectares was distributed before 1977, i.e. before the installation of the Left Front into power.

Despite the government’s claims of redistribution of land to farmers etc., the facts tell otherwise. Owing to increased expenditure incurred in farming including Panchayat tax-hike (amounts to 180% hike) sustenance and medical cost hike, abnormally increased charges of manure and pesticides, increased charges of electricity etc., in some district or the other in the state, farmers in West Bengal are every other day reported taking their own lives, since they find it difficult to retain their lands under the given circumstances. The rate at which land-owning peasants, their lands lost are getting transformed into sharecroppers – is clear from a State Census Report published in 2001 :

No. of land owning peasants declined from 38.4% to 25.4%

No. of sharecroppers increased from 41.6% to 49.6%

In fact, the number of

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# In absence of socialist camp, world capitalism is unbridled in loot and plunder

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monopoly capital, there has been large scale job loss in the sector. According to a 2004 paper by Andrew Shepard, an economist with the UN Food and Agriculture Organization, large supermarkets push small farmers out of business under the plea that they do not come up to expectations in terms of volume, quality and delivery. In a recent Oxfam study, a decade ago coffee farmers used to earn \$10 billion from a global market worth \$30 billion. Now they receive less than \$6 billion in a global market over \$60 billion. So the much trumpeted increase in scale or efficiency following monopoly penetration instead of raising the incomes of the coffee farmers has substantially lowered the same. The lessons are clear. Bulk procurement by monopoly retailers plays havoc with primary producer's margins. It is also understood that emergence of giant private retail chain in Malaysia slashed the number of vegetable suppliers from 200 in 2001 to just 30 in 2003.

The mode of the fleecing operation as has been seen worldwide can be described like this. Initially, to swallow the viable traditional shops of consumer goods they allow the consumers some lucrative concessions for the time being severely undercutting small retailers. The consumers too are allured with pomp and extravaganzas of the air-conditioned shopping malls, show-rooms, super markets and all that and thus trapped by the big business lobbies. With their incredibly deep-pockets, these retail giants can afford to withstand a lower margin, even losses for the time being till they establish monopoly control wiping out all competitors. As a result, the medium and small shops are forced to shut their windows in no time. And in consequence, the common people fall prey to the clutches of the monopolists who then dictate the prices of the daily necessities. Same is the position of the foodgrains growers, small-scale producers and cottage industries. Initially the farmers get a better value of their produces from these monopoly houses. So they sell to these big capitals and gradually become dependent on them. Once the monopolists find that the primary producers have no other go

but to come to them, they fix the procurement price of the agricultural produces as well as which crop should be produced and what fertilizer or pesticide should be used. If these big monopolists find tomorrow that a particular crop or agricultural raw material has a market (i.e. potential for being sold to intended buyers having affordability to buy at the price fixed) at home or abroad, they could compel the peasants now under their captivity to abandon cultivation of essential food crops and instead engage in plantation of such marketable stuff on a 'contract farming' basis. The farmers are thus compelled to sell at the prices so determined and forced to cultivate only such crops which have market among the upper class consumers or profitable for exporting outside. To bind the farmers in such conditions the big capitals arrange loans and advances for the farmers from their own sources and also supply them seeds, fertilizers and pesticides. Thus the farmers are booked for selling their produces to those particular mega-retailers and to none other else. These giant monopoly houses thus emerge as sole or monopoly purchaser of agricultural products as also seller of the same. This is a normal predatory strategy used by large capitals to drive out small and dispersed competition, form a big corporate empire in agriculture while the peasantry and small-scale producers face destitution and ruination at their alter.

## **Retail takeover—predatory move of exploitative capitalism**

Obviously a question may be raised as to what prompted the monopolists to extend their paw to the retail sector so aggressively. To get an answer, we need to understand some of the essential features and spate of happenings in the economic-political sphere. World imperialism-capitalism is now in the grip of intense market crisis—to be more precise, an hourly crisis endemic of the very capitalist system. The relative stability of the capitalist market has vanished long back. As an inevitable outcome of ruthless capitalist exploitation, purchasing power of most of the people has almost touched the bottom rendering most of them incapable of buying

industrial consumer goods. So, large scale recession and stagnation is stalking capitalist productive system in which the motive of production is not to meet the crying needs of the people but to earn maximum profit by robbing the labouring masses. Stricken with such an insoluble crisis, the capitalists are shying away from all essential productive activities and closing down the existing industrial units. The resultant job less coupled with mounting unemployment in absence of set up of any job-creating industry is further depleting the purchasing power of the people causing further shrinkage of the market. This is the vicious cycle of capitalist economy now in its decadent moribund stage. So a huge capital in the hands of the ruling capitalist class is becoming surplus and idle. In capitalism, capital is nothing but a means of exploitation and it can not sit idle. While a substantial portion of this excess capital is finding way to stock market and other speculative activities as well as to usurious business, the ruling capitalist class is desperate to find newer avenues for securing maximum profit by squeezing even the last drop of blood from the toiling people. It has been from this perspective that world imperialism-capitalism embarked on the ravaging economic policy of globalization-liberalization-privatization. It is to be further understood that earlier the ruling capitalist class could not dare to roll out such a ruinous agenda of globalization because of strong public resistance and existence of the socialist camp as a countervailing force. But following dismantling of the socialist camp, considerable weakening of international revolutionary working class movement because of domination of revisionist forces in various countries and consequent low ebb in the democratic mass movement, that public resistance against imperialist-capitalist machinations has also been enfeebled. In absence of formidable people's resistance, the ruling monopolists have found an open ground for implementing all their new-fangled sinister designs with alacrity. Eyeing on the retail service has come in this sequence of extending predatory paw to the service sector by the gasping

despotic capitalism.

Posing as if opening up the sectors hitherto kept under the control of the government as areas of essential services that warrant availability to the people either free of cost or at minimal price, would eradicate all malfunctioning and usher in a new era of fair equitable distribution of necessary goods and vital services to the citizenry, the ruling monopolists are pitching for liberal handover of such areas like education, health, civic amenities, power etc. to them for running under private ownership on commercial basis. Takeover of retail service by monopoly capitalists is a latest innovative instrument of oppression by the ruling capitalist class unbridled in extending its loot and plunder in newer domains and in newer form. In order to ensure that profits soar to the maximum, it has been a consistent endeavour on the part of the ruling monopolists to reduce cost of operation by harnessing latest sophisticated technology and drastically curtail if not reduce to zero the manpower requirement. So the retail chains under monopoly control are all capital-intensive instead of being labour intensive and in the plummeting job opportunity in crisis-ridden capitalism, there is no alternative avenue for absorbing the huge labour so rendered surplus in the course of 'modernizing' retail sector under monopoly grip. As a result, there is galloping rise in the number of jobless people. This is how monopoly takeover of trade is spelling disaster in the life of the common people.

## **Consequences will be equally ruinous in India**

In this backdrop and with capitalist system bestriding the country like deadweight, the Indian experience will be no different if not worst. If the private monopolists, both domestic and indigenous, grab the retailing sector, vast number of families will be pushed under the poverty line. For example, published reports indicate that in India current retail sales per employee is about Rs.78, 000 whereas in Wal-Mart the same is Rs.74.18 lakhs, i.e., about 95 times of that of an average Indian worker because Wal-Mart applies highly

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# Pseudo-Marxists endorsing predatory raid of monopoly capital on retail

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automated technology and business process to drastically cut labour cost yielding maximum profit. India has 35 towns each with a population over 1 million. Internationally, Wal-Mart handles a turnover of over 80,330 rupees [\$1.82 billion] per store with 10,195 employees. If Wal-Mart were to open an average store in each of these cities and they reached the average Wal-Mart performance per store, it would mean throwing out about 4,32,000 persons from the small retail arena. If large retailers were to grab 20 percent of the retail trade, a turnover of 800 billion rupees [\$18 billion] on today's basis with just 43,540 persons would knock out nearly eight million persons employed in the unorganized retail sector. In other words, assuming four dependents per person, around 32 million dependents will be straightaway on the roads. This means a foreign company will buy big from India and abroad and at the outset sell low in the domestic market severely undercutting the small retailers. It reminds one of what Nick Robbins, the noted historian, wrote in the context of the East India Company, "By controlling both ends of the chain, the company could buy cheap and sell dear".

Incidentally, some of the large Indian retail chains wary over the competition from foreign firms are trying to scuttle full scale entry of overseas corporate bigwigs by raising various issues through their political representatives in the cabinet and the legislatures and in the process making efforts to generate a tacit support in their favour by inciting nationalist passion. While the Indian bourgeois state in the aggregate interest of capitalism is opening up retail trade to foreign players as a part of the globalization policy which also allows Indian monopolists to invest abroad and harvest super-profits, interest of some individual monopolists aspiring to make big fortune in domestic retail might get hurt and so is the rumbling here and there. It ought to be understood that such opposition to FDI in retail by some individual monopoly houses purely from commercial consideration has nothing to do with people's interest. Whether it is Wal-Mart or Reliance - has the same

consequences for smaller retailers. Either way, it will be a pillaging assault of monopoly capital seeking to maximize profit by capturing a new domain of business bringing in its wake plight and penury for the toiling people.

## Double-dealing of the CPI (M)

What is worth noting in this regard is that not only known trusted representatives of the ruling bourgeoisie like the Congress or the BJP, even the pseudo-Marxists like the CPI (M) and its associates who by the grace of the ruling class and its pliant media are projected as Marxists are also extending all out support to this nefarious design. While feigning opposition to the entry of MNCs and Indian corporate houses in retail trade that it would have an "adverse impact on the livelihoods of a large section of people who are engaged in unorganized retail across the country", the CPI (M) calling itself leftist but pursuing an utterly non-leftist line only ended its responsibility by putting forward to the Congress-led government running on its support merely "a proposal" to adopt stringent regulations on the organized sector in retail trade which included, inter alia, recommendations like 'Licensing by local bodies', regulation and monitoring', fixing 'population size per retail format', facility of 'adequate parking place', location 'outside city limits', so on and so forth. The CPI(M) leadership knows very well that such fig leaf restrictions are all paper suggestions having hardly any role in preventing predatory pricing, below cost sales, hoarding, 'monopolistic practices in credit, input and output' etc. by the retail giants. That the CPI (M) leadership is not at all opposed to private monopoly in retail is amply testified by the fact that in the state of West Bengal where it is in power for last thirty years with the full backing of the ruling bourgeoisie whose spokesmen now hail the CPI (M) chief minister of the state as best performer and most investor-friendly (read monopoly-friendly), it is openly inviting not only the domestic monopoly capital but even foreign MNCs like Metro Cash & Carry, Wal-Mart etc. offering them all governmental support in the form of infrastructure development,

tax concession and other benefits. Ambanis-owned Reliance has already started its work for opening retail chain all over the state including 200 outlets for agricultural commodities. As mentioned earlier, the CPI(M) Mayor of Calcutta Municipality Corporation has already handed over a municipal market to the Reliance group and is going to hand over other two other markets to the RPG and Reliance groups respectively. In a letter to the licensed stall holders of the aforesaid municipality market agitating against allowing Reliance to take custody of the market premises in the name of development, the CPI (M) mayor has given an open threat to them by saying that any sort of non-cooperation would be taken as a serious violation of the licensee agreement to be followed by its consequences. He mayor also did not categorically rule out allowing Reliance to retail agro-products from the renovated market compound. With the patronage of the CPI(M) front government, RPG group of Goenkas has already opened Spencer Express Store in the state as a retail outlet of consumer goods. The CPI (M) government has also promised Reliance of all types of legal and economic help including exemption from stamp duty and registration charges for their millions of square feet of retail outlets, processing-cum-distribution centers, cold storages, vegetable terminal markets etc. throughout the state. The government has announced 100 per cent electricity duty exemption for them for next five years, 100% exemption in toll tax, etc. The CPI(M) Chief Minister Buddhadeb Bhattacharjee has assured Wal-Mart of acceptance of their proposal for opening retail chain in the state. The story of its double dealing does not end here. Just a few days earlier, Dinesh Mani, CPI (M) leader and Mayor of Kochi municipality in Kerala inaugurated local retail chain showroom of a domestic major and then joined the small traders' protest march to fight such domestic majors.

One more incident we feel is worth mentioning in this regard. Way back in the sixties, we had raised the demand for introducing all-out state trading in essential commodities in order to give some

relief to the people from the spiraling price rise. Our contention was that the government should undertake full responsibility of both procuring and distributing foodgrains and other essential items and private ownership of both wholesale and retail should be totally banned. With all private trading banned, the chance of price manipulation, middlemen intervention, hoarding, black-marketing, creation of artificial scarcity and supply of sub-standard stuff would be appreciably minimized if not removed altogether. It was only that way the primary producers could receive remunerative price and essential provisions made available to consumers at fair price. Even today, we consider this to be a most legitimate demand. But the CPI (M) summarily rejected the proposal under the plea that it would harm the retailers. There is no reason to believe that the CPI (M) leadership was so blunt as not to understand the rationale behind the proposal. The cause lay somewhere else. At that time, the monopolists were more interested to have their strangled hold on wholesale distribution of essential items. Introduction of all-out state trading would have immensely hurt their interest. So the CPI (M) in order to protect the monopoly interest floated the alibi of retail protection to oppose the proposal. Today, when the retail distribution has become the favoured destination of the monopolists and the small retailers are facing the axe, the same CPI (M) is concurring to the hostile takeover of the sector by the big capital throwing aside the question of protecting the small retailers. Clearly, it is the compulsion of subserving monopoly class interest that has prompted it to take both the stands at two points of time. There is nothing surprising in it. More the CPI (M) surrenders itself to the class interest of ruling monopolists, more difficult it would be to even masquerade itself as social-democrat, the force of compromise between labour and capital. At the same time is also true that this ought to be the outcome of compromising social-democratic politics.

## People must thwart this heinous move

This raid on retail by the monopolists has been taking at a time when the ruling capitalist class, in the aggregate interest of capitalism, is bent upon

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## Thirty years of CPI(M)-rule in West Bengal : Claims and Realities

*Contd. from page 5*

sharecroppers have risen over the years, contrary to the CPI(M)'s claims (it was 50.5 lakhs in 1991, now it has gone up to 1 crore). These hapless people are compelled to forego their attachment with the land and are rendered destitute. Desperately looking out for jobs, any odd jobs at that, they drift away out of their village, district, state and even out of the country. With governments planning to abolish land ceiling, acts are being changed, permitting thereby rich farmers and land investors to develop farms over several thousand of bighas. Fertile land is being converted into fisheries and real estates, water-bodies are destroyed and the result is that rural economy based on agriculture is all but shattered. In 1981, the number of khetmajors (agricultural labourers) in West Bengal was near 37 lakhs. In 1991, it steeped up to 50.5 lakhs and now it is round about 75 lakhs – doubled. Rural women too, out of job, go off to work as domestic help to urbanites, the worst fated of the lot having no other option but to

peddle their flesh on streets of the metropolis.

As Human Resource Development report reveals, the difference between rural and urban per capita consumption is higher in West Bengal than the All-India pattern.

Left Front government has hiked charges of electricity for the underground water used in irrigation. Nor does the government ensure that the farmers get fair price for crops. The rural market is open to land sharks and agents. The seeds supplied by the government turn out to be unyielding. Farmers, therefore, are pushed to destitution and death. Government is thus responsible for making agriculture unprofitable enough as to find grounds for pursuing farmers to hand over their lands. Capitalist looters (including Tata, Salem etc.) are eager to invest, with farmers, more often than not unwilling to part with their lands, tempted, confused and even subjected to oppression of police and goons. In case of land acquired by government, promises of

compensation as well as job alternative for occupation prove to be all but false – as exemplified by experiences of farmers giving up lands earlier at Rajarhat, Barasat, Bakreswar and other places.

The Chief Minister's claims of having arranged irrigation water for 70% of agricultural land is also far from true, Government has arranged such water for 30% lands only. It is on non-government initiative that the rest of the water is arranged.

So far employment is concerned, West Bengal presents a picture no more encouraging. According to the National Sample Survey Organisation, over 10 years, there has been a decline in employment from 63.3% in 1993-94 to 62.7% in 2004-05, in agriculture. Likewise in industries too, employment by new appointments has over the years, got reduced from 16.1% in 1993-94 to 13.5 in 2004-05 in rural areas and from 30.2% in 1993-94 to 2.7.6% in 2004-05 in urban areas. 30 years back, when

this government was installed, recorded unemployed numbered 17 lakhs, whereas they are now not less than 70 lakhs. The National Survey report shows up to 2003, the number of workers losing jobs was 40 times the number of people securing new jobs. With 56 thousand factories closed, more than 13 lakh of families face starvation and untimely death.

As the statistics show, previously there were some 40,054 small industries, 29,000 of which have closed shutters (ICSI, Oct-Dec. 2004)

In election manifesto of the Front, it was proclaimed that Provident Fund and Health Insurance Scheme will be further extended to provide social security to landless sharecroppers and workers of unorganised sectors in urban and rural areas. How baseless it all seems to talk of P.F. and Health Insurance, when the bulk of people go jobless!

*(To be Continued)*

## Monopoly capital in Retail Trade

*Contd. from page 7*

concentrating economic wealth in the hands of a few monopolists. At the same time, it is ensuring that gradually, all political power is concentrated in the hands of the bourgeois state so that the people are crippled to assert their political rights to protest against savage economic assault and all other menacing attack on every walk of their life. This is the grand fascistic design of the ruling capitalism to prolong its despotic class rule. This grand design is fostering one after another anti-people move to spell disaster in people's life.

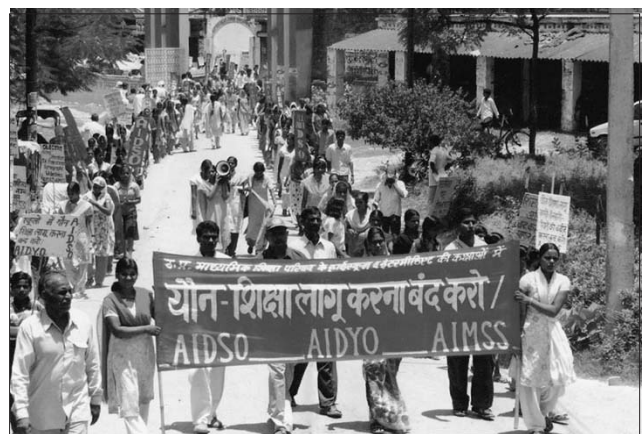
The consequence of monopoly takeover of retail will be devastating in every respect. We know that finding no other means of income, many million Indians are virtually forced into small retailing setting up a tiny shop or resorting to hawking to somehow make both ends meet. If today these small retailers and hawkers are unsettled and ousted, or the poor primary producers are forced to distress sale at monopoly dictation, they will either die like cats and dogs on the street out of

starvation or turn into beggars, or pushed to theft, burglary and surfeit of such other anti-social and internecine activities. This is how as a fallout of implementation of a sinister design of the exploiting ruling monopolists, millions of our countrymen, our brothers and sisters will not only be wrenched, wretched and pauperized but dehumanized as well. Thus if the retail sector is captured by the monopolists, the concomitant evil will encumber one to all – producers, retailers and consumers. No one will be spared from the poisonous bite of monopoly onslaught. So it is high time that all sections of the toiling people and the thinking populace comprehend the gravity of the situation and come forward to take up cudgels against such a planned attack by the ruling class and its obedient servants of different hues. They must organize themselves to build up mighty resistance movement throughout the country unitedly to foil the conspiracy and stall the impending catastrophe. That is the call of the hour.

## Protest against Sex Education at school level at Allahabad

The UP State Committee of AIDS and AIMSS organized a big protest demonstration of students, youths, women, intellectuals and guardians in front of the DM Office at Allahabad on July 14 against proposed scheme of including sex education at secondary school level. A memorandum addressed to the

Chief Minister, demanding withdrawal of the scheme was submitted to the DM. The statewide protest compelled the government to agree to delete contentious portions of the book on sex education; AIDS and AIMSS decided to continue the movement till total cancellation of the scheme.



*AIDS, AIDYO and AIMSS jointly organized a massive protest demonstration against introduction of sex-education in school level curriculum before the DM office, Jaunpur, UP on July 14 and submitted a memorandum addressed to the Chief Minister demanding withdrawal of the scheme.*

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